



PUBLIC NOTICE

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DA 04-4061

Released: December 28, 2004

DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL OF SUPRA TELECOMMUNICATIONS AND INFORMATION SYSTEMS, AND H.I.G. SUPRA, INC., REORGANIZED

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 04-430

Comments Due: January 11, 2005

Reply Comments Due: January 18, 2005

On November 24, 2004, Supra Telecommunications and Information Systems, Debtor-in-Possession ("Supra")¹ and H.I.G. Supra, Inc. ("H.I.G." or the "Purchaser") (together, with Supra, the "Applicants"), filed an application pursuant to sections 63.03 and 63.04 of the Commission's rules² requesting approval of a transaction wherein Supra will become majority owned and controlled by the Purchaser. The Applicants propose the transfer of ownership to implement a Plan of Reorganization that will allow Supra to emerge from Chapter 11 bankruptcy.³

Applicants assert that this transaction is entitled to presumptive streamlined treatment pursuant to section 63.03(b)(2)(i) of the Commission's rules⁴ because immediately following the transactions: (1) Applicants and their affiliates combined will hold less than a ten percent (10%)

¹ Supra has been a debtor-in-possession under Chapter 11 of the U.S. Bankruptcy code since October, 2002 when Supra filed for bankruptcy protection. Supra was unable to locate information concerning a prior notification to the Commission of the *pro forma* transfer of control that occurred when Supra Telecommunications and Information Systems, Inc. became a debtor-in-possession. Thus, Supra filed a formal notification of this *pro forma* transfer with the Commission once it filed this instant application.

² 47 C.F.R §§ 63.03, 63.04; see 47 U.S.C. § 214.

³ Applicants have also filed for transfer of control related to international section 214 authority held by Supra Telecommunications and Information Systems. Any action on this domestic section 214 application is without prejudice to Commission action on other related pending applications.

⁴ 47 CFR § 63.03(b)(2)(i).

share of the interstate, interexchange market; (2) to the extent that the Applicants or their affiliates provide U.S. local exchange services or exchange access services, those services are provided only in geographic areas served by a dominant local exchange carrier that is not a party to the proposed transaction; and (3) none of the Applicants or their affiliates is dominant with respect to any U.S. domestic telecommunications service.

Supra is a national facilities-based competitive local exchange carrier targeting the consumer market. Organized under Florida law and based in Miami, Florida, Supra holds domestic and international Section 214 authority, and is licensed to provide local and/or long distance competitive telecommunications services in California, Colorado, Florida, Georgia, Illinois, New York and Texas. Supra currently provides competitive local and long distance services in New York and Florida to residential consumers. All of the services provided by Supra and its affiliates are competitive in nature, and neither Supra nor any of its affiliates holds a dominant position in any market.

H.I.G. Supra, Inc. is a Cayman Islands corporation recently established in connection with the proposed emergence of Supra from bankruptcy. H.I.G. does not provide telecommunications services. H.I.G. is affiliated with T-Netix Communications Services, Inc. and Evercom Systems, Inc. Both of these affiliated entities provide competitive, resold wireline long distance services to inmates pursuant to state and federal authorizations. All of the services provided by T-Netix Communications Services, Inc. and Evercom Systems, Inc. are competitive in nature, and neither H.I.G. nor any of its affiliates holds a dominant position in any market.

Post-consummation, H.I.G. will hold approximately 90% of the equity of Supra, and no other entity will hold a direct interest in Supra that will result in ownership or control of 10% or more of the equity of Supra. H.I.G. Capital Partners III, L.P. ("H.I.G. Capital"), a Delaware limited partnership, will own approximately 68% of H.I.G. H.I.G. Advisors III, LLC ("H.I.G. Advisors"), a Delaware limited liability corporation, is the General Partner of H.I.G. Capital.⁵ The following entities will own or control 10% or more of the equity of H.I.G. Advisors: Anthony Tamer, a U.S. citizen (10%); Sami Mnaymneh, a U.S. citizen (10%); the Sami Mnaymneh 2002 Children's Trust, which is organized under Florida law and is controlled by Sami Mnaymneh, its sole trustee (40%); and Kactus Investment Corporation, a Cayman Islands corporation (40%). Kactus Investment Corporation is wholly-owned by the Tamer Family Trust, which is organized under Florida law, and is controlled by Anthony Tamer, its sole trustee. In addition, Alexander Holdings, Inc., which is organized under the laws of the British Virgin Islands, will hold 25% of the equity of H.I.G. Alexander Holdings, Inc. is wholly-owned by Berggruen Holdings Limited, which is, in turn, wholly-owned by the Tarragona A Trust. The trustee of the Tarragona A Trust is Maitland Trustees Limited. Each of these entities is organized under the laws of the British Virgin Islands. Maitland Trustees limited is controlled by the Maitland Group, a privately-held British Virgin Island company, which does not have any majority shareholder whose interest could be considered a 10% or greater interest in Supra. Once the transaction is completed, no other entity will hold a 10% or greater direct or indirect interest in Supra.

⁵ No limited partner has a 10% or greater interest in H.I.G. Capital.

In October, 2002, Supra filed for protection under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Florida. On October 26, 2004, the Applicants agreed to a transaction wherein Supra would reissue its common and preferred stock to the Purchaser as part of a Plan of Reorganization supervised by the U.S. Bankruptcy Court for the Southern District of Florida.⁶ Applicant's assert that the reorganization will enable Supra to emerge as a viable provider of competitive telecommunications services. Under the Plan, the Purchaser will receive 9 million shares of new common stock and 4.5 million shares of convertible preferred stock which, combined, shall represent approximately 90% of the new equity ownership of Supra. The remaining 10% of new shares will be held by a number of smaller investors. The Applicants state that customers of Supra will not be affected by this change of control. Because this proposed transaction is strictly a stock transaction, the issuance and sale of new stock and the transfer of control will not result in any change in rates or terms of service to Supra's existing customers. Customers will receive notice of the transaction.

The Applicants assert that the proposed transaction serves the public interest because it will allow Supra to emerge from bankruptcy intact with new ownership and will give Supra's customers the benefit of Supra's strengthened capital position following the proposed transaction. They state that the transfer of ownership will avoid disruption of customer service and better position Supra to continue offering consumers a selection of valuable telecommunications services and to compete against larger, better-capitalized incumbent providers. They further state that the proposed transaction will allow Supra to revitalize its business plan to bring lower cost, competitive services to consumers. The Applicants expect that the proposed transaction will reduce Supra's impediments to growth, and will therefore provide Supra's customers with a wider variety of telecommunications services.

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file **comments on or before January 11, 2004, and reply comments on or before January 18, 2004.**⁷ Unless otherwise notified by the Commission, Applicants are permitted to transfer control on the 31st day after the date of this notice.⁸ Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. See *Electronic Filing of Documents in Rulemaking Proceedings*, 63 Fed. Reg. 24121 (1998).

⁶ Applicants indicate that Supra's reorganization plan, including the proposed bid on the transfer of ownership, was approved in a hearing by the Bankruptcy Court on October 27, 2004. A copy of the Court's Order and Plan of Reorganization will be provided to the Commission once available.

⁷ See 47 C.F.R. § 63.03(a).

⁸ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

Comments filed through the ECFS can be sent as an electronic file via the Internet to <<http://www.fcc.gov/e-file/ecfs.html>>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send e-mail to ecfs@fcc.gov, and should include the following words in the subject line "get form <your e-mail address>." A sample form and directions will be sent in reply.

Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission's contractor, Natek, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

In addition, one copy of each pleading must be sent to each of the following:

- (1) the Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: www.bcpweb.com; phone: 202-488-5300 fax: 202-488-5563;
- (2) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C437, Washington, D.C. 20554; e-mail: tracey.wilson-parker@fcc.gov;
- (3) Alex Johns, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room -, Washington, D.C. 20554; e-mail: alexis.johns@fcc.gov;
- (4) Terri Natoli, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C234, Washington, D.C. 20554; e-mail: terri.natoli@fcc.gov;
- (5) Susan O'Connell, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-

B544, Washington, D.C. 20554; email: susan.o'connell@fcc.gov; and

(6) James Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: james.bird@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC, 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC, 20554, telephone: 202-488-5300, fax: 202-488-5563, or via e-mail www.bcpiweb.com.

For further information, please contact Tracey Wilson-Parker at (202) 418-1394, or Alex Johns at (202) 418-1167.

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